REMARKS

Prior to entry of this Amendment, Claims 14-21 and 26-28 are pending.

Claims 14-21 and 26-28 stand rejected under 35 U.S.C. § 103(a), as being unpatentable over Li, US PGPub No.:2002/0153424, in view of Buer, US Patent No. 5,835,599, further in view of McGregor et al., US PGPub No.: 2002/0180584.

Claims 1-13 and 22-49 are cancelled, without prejudice or disclaimer.

Claims 14-21 have been amended.

New claims 50-65 are presented.

No new matter is submitted.

Claims 14-21 and 50-65 are now pending. Reconsideration of the pending claims, as amended and presented, is respectfully requested.

Rejections Under 35 U.S.C. §103(a)

1. The Applicants respectfully traverse the rejections under 35 U.S.C. §103(a) as Claims 14-21 and 26-28 have been amended or cancelled to obviate the obvious rejections of same. In that the rejections are moot in view of the pending amended and new claims, the Applicants respectfully request consideration of the following.

2. The present application discloses implementations for wireless communications between a mobile electronic device and a point of sale terminal for the purpose of conducting a transaction. A typical such transaction is between a consumer and a merchant who sells goods and/or services to the consumer. Typical of such transactions is the consumer's use of a credit or debit card to make the purchase from the merchant. To obtain the consumer's payment for the transaction, the merchant 'swipes' the credit or debit card in a magnetic card reader to read

11

magnetically encoded data that contains the consumer's payment account information. The magnetic card reader is communication with the merchant's point of sale terminal. The merchant's point of sale terminal obtains the consumer's payment account information and sends it on to a payment service that will process the transaction so that the consumer's payment account will be used to pay the merchant for the transaction.

3.   In modern consumer transactions there is a move away from the consumer's use of a magnetic stripe credit or debit card. Rather, a trend exists towards the consumer's use of a contactless payment card. Contactless payment allows for transactions at a point of sale terminal that are much faster that cash, checks, or magnetic strip payment cards. As such, commerce moves much faster, consumer wait less time in a 'check out' line, and conveniences are thereby extended to both merchant and consumer.

4.   During the a contactless payment transaction, the consumer's contactless payment card is in wireless communication with a contactless card reader that obtains the consumer's payment account information from the contactless payment card. The contactless reader is in communication with the merchant's point of sale terminal. The merchant's point of sale terminal obtains the consumer's payment account information from the contactless card reader and sends it on to a payment service that will process the transaction so that the consumer's payment account will be used to pay the merchant for the transaction.

5.   It is advantageous for merchants to make the change from accepting only magnetic stripe payment cards to accepting contactless payment cards. However, it is more advantageous to make this change with a few disruptions as practical to the merchant's environment so that more

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merchants will be able to afford the change with as little expense a practical to begin accepting contactless payments.

6.   The present application solves a problem of expensive and disruptive changes to the merchant's point of sale environment.   To do so, the present application discloses that a contactless payment card can be read by a contactless card reader, and the consumer's payment account information can be sent to the point of sale terminal in the traditional format, namely in the magnetic stripe format which may be in the form of magnetic stripe credit card Track 1 and/or Track 2 data. As such, a contactless payment card is essentially treated as a traditional magnetic stripe payment card.   Advantageously, the change from magnetic strip cards to contactless payment cards is transparent to the merchant's point of sale terminal by virtue of the continued use of the magnetic strips format for the transaction data.

7.   The present application, published as US PGPub No.: 2005/0053997, the "Publication"), discloses a transaction at a point of sale terminal The point of sale terminal generates unique transaction data for the transaction. The point of sale terminal sends the unique transaction data for the transaction in a wireless communication to a mobile electronic device (i.e., a consumer contactless payment card). Upon receipt, the mobile electronic device generates a verification value from the unique transaction data for the transaction. The unique transaction data for the transaction can be a time of day for the transaction, for instance a timestamp for the transaction, and a transaction amount for the transaction.

8.   The use of a verification value serves to reduce fraud in contactless payment transactions. One type of fraud which can be reduced by implementations of the present application is

'skimming', which refers to the electronic copying of a consumer payment card's magnetic stripe data to create counterfeit cards.

9.   The point of sale terminal receives data for the transaction, including the verification value, in a magnetic stripe data format. The data for the transaction are sent with the verification value from the point of sale terminal for delivery to a service provider so that the service provider can verify the verification value.

10.   With each transaction, a verification value is dynamically generated each time a payment service is utilized in a transaction (see paragraph [0008] of the Publication). The verification value may be a "dCVV" (see paragraph [0021] of the Publication). Each time the payment service is initiated, a dCVV is generated on a payment device for authentication purposes. The payment device can be a mobile electronic device (see paragraph [0024] of the Publication). FIG. 1 depicts the method of generating a dCVV for each transaction (see paragraph [0029] of the Publication).

11.   The verification value may be generated using payment data and information contained within the point of sale device (see paragraph [0009] of the Publication), where "payment data" means, with respect to financial applications, those data elements used by the payment service to execute a transaction (see paragraph [0021] of the Publication). The verification value may be computed in a number of different ways including, without limitation, using a unique transaction number provided by the point of sale terminal, a timestamp, or a transaction amount added to a timestamp (see paragraph [0040] of the Publication).

12.   The foregoing concepts, which are reflected in pending Claims 14-21 and 50-65, are not taught, suggested, or implied, either alone or in any combination, by the prior art of record. As

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such, pending Claims 14-21 and 50-65 are neither anticipated by or obvious over any reference

of record.

13.   Given the foregoing, allowance of pending Claims 14-21 and 50-65 is respectfully

requested.

14.   Applicants hereby petition for any extension of time which may be required to maintain

the pendency of this case, and any required fee, except for the Issue Fee, may be charged to

Deposit Account No. 17-0055.

15.   In the event that the Examiner finds any remaining impediment to a prompt allowance of

this application which could be clarified by a telephonic interview, the Examiner is respectfully

requested to contact the undersigned attorney at the telephone number listed below.

                                            Respectfully submitted,

                                            QUARLES & BRADY LLP

Date: March 24, 2009   By
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